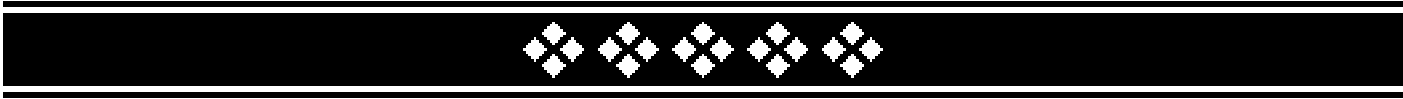


Combining and Individual Fund Statements and Schedules



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for specific revenue sources that are restricted to finance particular functions and activities of the Commonwealth.

The Health and Social Services Special Revenue Fund accounts for revenues and expenditures related to local health care assistance.

The Water Quality Improvement Fund accounts for sums appropriated by the General Assembly and for other funds from any public or private source. Funds are used for water quality improvement grants to assist in pollution prevention and reduction.

The Other Special Revenue Fund accounts for revenues and expenditures related to business and agricultural activities, and miscellaneous activities throughout the Commonwealth.

Debt Service Funds:

The Debt Service Funds account for transactions related to resources retained and used for the payment of interest and principal on long-term obligations recorded in the Governmental Activities column on the Government-wide Statement of Net Assets.

Primary Government accounts for the payment of principal and interest on bonds used to acquire, construct, or improve parks, highways, and correctional, mental health, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for the payment of principal and interest on bonds used to acquire, construct, and operate public buildings used by the Commonwealth and its political subdivisions.

Capital Project Funds

The Capital Project Funds are maintained to account for resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental or proprietary funds.

Primary Government accounts for the financial resources acquired through the issuance of General Obligation Bonds and Energy Performance Contracts. The resources are used to acquire, construct, or improve land, public buildings, and parking facilities owned by the Commonwealth.

The Virginia Public Building Authority accounts for financial resources acquired through the issuance of section 9(d) bonds. These resources are used to acquire, construct, finance, refinance and operate public buildings used by the Commonwealth and any of its political subdivisions. Resources are also used to finance or refinance reimbursements to localities or governmental entities for the Commonwealth's share of the capital costs for certain authorized projects.

Permanent Funds

Permanent Funds are funds whose principal must remain intact.

Commonwealth Health Research Fund provides financial grants for human health research benefiting the Commonwealth's citizens. The entire fund balance is restricted for use as such as a condition of a legal settlement.

Prescription Monitoring Program provides funds to establish, maintain, and administer an electronic system to monitor the dispensing of controlled substances benefiting the Commonwealth's citizens. The entire fund balance is restricted for use as such as a condition of a legal settlement.

Mental Health Endowment Funds provide funds for the welfare of patients in mental health facilities. The entire fund balance is restricted for use as such.

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2008

(Dollars in Thousands)

	Special Revenue Funds			
	Health and Social Services	Water Quality Improvement Fund	Other	Total
Assets				
Cash and Cash Equivalents	\$ 162,175	\$ 329,940	\$ 552,754	\$ 1,044,869
Investments	10,343	68,057	64,178	142,578
Receivables, Net	53,180	-	39,312	92,492
Due From Other Funds	-	-	6,913	6,913
Due from Component Units	-	-	-	-
Due From External Parties (Fiduciary Funds)	-	-	182	182
Interfund Receivable	-	-	51,157	51,157
Inventory	5,891	-	200	6,091
Prepaid Items	5,857	-	1,619	7,476
Other Assets	224	-	927	1,151
Loans Receivable from Component Units	-	-	15,641	15,641
Total Assets	<u>\$ 237,670</u>	<u>\$ 397,997</u>	<u>\$ 732,883</u>	<u>\$ 1,368,550</u>
Liabilities and Fund Balances				
Accounts Payable	\$ 24,999	\$ 2,253	\$ 31,171	\$ 58,423
Amounts Due to Other Governments	-	-	1,456	1,456
Due to Other Funds	3,145	-	3,435	6,580
Due to Component Units	-	-	-	-
Deferred Revenue	3,143	-	10,963	14,106
Unearned Revenue	3,327	-	5,929	9,256
Obligations Under Securities Lending Program	9,011	86,124	74,589	169,724
Other Liabilities	-	-	5,334	5,334
Long-term Liabilities Due Within One Year	119	-	219	338
Total Liabilities	<u>43,744</u>	<u>88,377</u>	<u>133,096</u>	<u>265,217</u>
Fund Balances Reserved for:				
Inventory	5,891	-	260	6,151
Prepaid Items	5,857	-	1,619	7,476
Debt Service	-	-	-	-
Gifts and Grants	29,154	-	27,917	57,071
Capital Acquisition	-	-	591	591
Fund Balances Unreserved, Reported in:				
Special Revenue Funds	153,024	309,620	569,400	1,032,044
Capital Projects Funds	-	-	-	-
Permanent Funds	-	-	-	-
Total Fund Balances (Deficit)	<u>193,926</u>	<u>309,620</u>	<u>599,787</u>	<u>1,103,333</u>
Total Liabilities and Fund Balances	<u>\$ 237,670</u>	<u>\$ 397,997</u>	<u>\$ 732,883</u>	<u>\$ 1,368,550</u>

Debt Service Funds			Capital Project Funds		
Primary Government	Virginia Public Building Authority	Total	Primary Government	Virginia Public Building Authority	Total
\$ 101,085	\$ -	\$ 101,085	\$ 90,215	\$ 88,465	\$ 178,680
-	-	-	153	-	153
-	-	-	-	234	234
-	-	-	-	-	-
-	-	-	674	-	674
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 101,085	\$ -	\$ 101,085	\$ 91,042	\$ 88,699	\$ 179,741
\$ -	\$ -	\$ -	\$ 2,914	\$ 10,256	\$ 13,170
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	32,865	-	32,865
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	194	-	194
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	35,973	10,256	46,229
-	-	-	-	-	-
-	-	-	-	-	-
101,085	-	101,085	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	55,069	78,443	133,512
-	-	-	-	-	-
101,085	-	101,085	55,069	78,443	133,512
\$ 101,085	\$ -	\$ 101,085	\$ 91,042	\$ 88,699	\$ 179,741

Continued on next page

Combining Balance Sheet – Nonmajor Governmental Funds (Continued from previous page)

June 30, 2008

(Dollars in Thousands)

	Permanent Funds			
	Commonwealth Health Research Board	Prescription Monitoring Fund	Mental Health Endowment Funds	Total
Assets				
Cash and Cash Equivalents	\$ 60	\$ 22,357	\$ 262	\$ 22,679
Investments	30,805	4,612	-	35,417
Receivables, Net	-	-	-	-
Due From Other Funds	-	-	-	-
Due from Component Units	-	-	-	-
Due From External Parties (Fiduciary Funds)	-	-	-	-
Interfund Receivable	-	-	-	-
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Other Assets	-	-	-	-
Loans Receivable from Component Units	-	-	-	-
Total Assets	<u>\$ 30,865</u>	<u>\$ 26,969</u>	<u>\$ 262</u>	<u>\$ 58,096</u>
Liabilities and Fund Balances				
Accounts Payable	\$ 3	\$ -	\$ -	\$ 3
Amounts Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Component Units	-	-	-	-
Deferred Revenue	-	-	-	-
Unearned Revenue	-	-	-	-
Obligations Under Securities Lending Program	16	5,836	-	5,852
Other Liabilities	-	-	-	-
Long-term Liabilities Due Within One Year	-	-	-	-
Total Liabilities	<u>19</u>	<u>5,836</u>	<u>-</u>	<u>5,855</u>
Fund Balances Reserved for:				
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Debt Service	-	-	-	-
Gifts and Grants	-	-	-	-
Capital Acquisition	-	-	-	-
Fund Balances Unreserved, Reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Permanent Funds	30,846	21,133	262	52,241
Total Fund Balances (Deficit)	<u>30,846</u>	<u>21,133</u>	<u>262</u>	<u>52,241</u>
Total Liabilities and Fund Balances	<u>\$ 30,865</u>	<u>\$ 26,969</u>	<u>\$ 262</u>	<u>\$ 58,096</u>

**Total
Nonmajor
Governmental
Funds**

\$	1,347,313
	178,148
	92,726
	6,913
	674
	182
	51,157
	6,091
	7,476
	1,151
	15,641
\$	1,707,472
\$	71,596
	1,456
	6,580
	32,865
	14,106
	9,256
	175,770
	5,334
	338
	317,301
	6,151
	7,476
	101,085
	57,071
	591
	1,032,044
	133,512
	52,241
	1,390,171
\$	1,707,472

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds**

For the Fiscal Year Ended June 30, 2008
(Dollars in Thousands)

	Special Revenue Funds			
	Health and Social Services	Water Quality Improvement Fund	Other	Total
Revenues				
Taxes	\$ 9,022	\$ -	\$ 75,890	\$ 84,912
Rights and Privileges	106,875	-	167,242	274,117
Institutional Revenue	332,450	-	49,739	382,189
Interest, Dividends, Rents, and Other Investment Income	2,299	19,640	23,261	45,200
Federal Grants and Contracts	14,249	-	-	14,249
Other	132,197	-	322,697	454,894
Total Revenues	597,092	19,640	638,829	1,255,561
Expenditures				
Current:				
General Government	781	-	110,163	110,944
Education	1,366	-	28,771	30,137
Transportation	-	-	3,662	3,662
Resources and Economic Development	35,681	75,540	284,060	395,281
Individual and Family Services	539,770	-	54,838	594,608
Administration of Justice	109	-	76,967	77,076
Capital Outlay	664	-	20,558	21,222
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	578,371	75,540	579,019	1,232,930
Revenues Over (Under) Expenditures	18,721	(55,900)	59,810	22,631
Other Financing Sources (Uses)				
Transfers In	24,427	5,000	68,500	97,927
Transfers Out	(18,786)	(248)	(33,857)	(52,891)
Insurance Recoveries	48	-	1,556	1,604
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Capital Assets	-	-	2,872	2,872
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	5,689	4,752	39,071	49,512
Net Change in Fund Balances	24,410	(51,148)	98,881	72,143
Fund Balance (Deficit), July 1	169,516	360,768	500,906	1,031,190
Fund Balance (Deficit), June 30	\$ 193,926	\$ 309,620	\$ 599,787	\$ 1,103,333

Debt Service Funds			Capital Project Funds		
Primary	Virginia		Primary	Virginia	
Government	Public		Government	Public	
	Building	Total		Building	Total
Authority			Authority		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,326	-	3,326	3,498	4,021	7,519
-	-	-	-	-	-
7,525	-	7,525	2,709	-	2,709
10,851	-	10,851	6,207	4,021	10,228
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5	-	5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	234,699	159,380	394,079
248,986	112,690	361,676	-	-	-
133,096	70,157	203,253	-	-	-
382,087	182,847	564,934	234,699	159,380	394,079
(371,236)	(182,847)	(554,083)	(228,492)	(155,359)	(383,851)
375,004	182,597	557,601	14	796	810
-	-	-	-	(228)	(228)
-	-	-	-	-	-
-	-	-	173,665	242,480	416,145
-	4,012	4,012	5,234	14,101	19,335
-	58,995	58,995	-	-	-
-	-	-	-	-	-
-	(62,757)	(62,757)	-	-	-
375,004	182,847	557,851	178,913	257,149	436,062
3,768	-	3,768	(49,579)	101,790	52,211
97,317	-	97,317	104,648	(23,347)	81,301
\$ 101,085	\$ -	\$ 101,085	\$ 55,069	\$ 78,443	\$ 133,512

Continued on next page

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds** *(Continued from previous page)*

For the Fiscal Year Ended June 30, 2008
(Dollars in Thousands)

	Permanent Funds			
	Commonwealth		Mental	
	Health	Prescription	Health	
	Research	Monitoring	Endowment	
	Board	Fund	Funds	Total
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Rights and Privileges	-	-	-	-
Institutional Revenue	-	-	-	-
Interest, Dividends, Rents, and Other Investment Income	(975)	1,294	12	331
Federal Grants and Contracts	-	-	-	-
Other	-	-	-	-
Total Revenues	(975)	1,294	12	331
Expenditures				
Current:				
General Government	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Resources and Economic Development	-	-	-	-
Individual and Family Services	1,052	251	5	1,308
Administration of Justice	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	1,052	251	5	1,308
Revenues Over (Under) Expenditures	(2,027)	1,043	7	(977)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Insurance Recoveries	-	-	-	-
Bonds Issued	-	-	-	-
Premium on Debt Issuance	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Sale of Capital Assets	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(2,027)	1,043	7	(977)
Fund Balance (Deficit), July 1	32,873	20,090	255	53,218
Fund Balance (Deficit), June 30	\$ 30,846	\$ 21,133	\$ 262	\$ 52,241

**Total
Nonmajor
Governmental
Funds**

\$	84,912
	274,117
	382,189
	56,376
	14,249
	465,128
	<u>1,276,971</u>
	110,944
	30,137
	3,667
	395,281
	595,916
	77,076
	415,301
	361,676
	203,253
	<u>2,193,251</u>
	(916,280)
	656,338
	(53,119)
	1,604
	416,145
	23,347
	58,995
	2,872
	(62,757)
	<u>1,043,425</u>
	127,145
	1,263,026
\$	<u><u>1,390,171</u></u>

**Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Nonmajor Special Revenue Funds**

For the Fiscal Year Ended June 30, 2008
(Dollars in Thousands)

	Health and Social Services			Final/Actual Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Motor Fuel	\$ -	\$ -	\$ -	\$ -
Deeds, Contracts, Suits	-	-	-	-
Premiums of Insurance Companies	-	-	-	-
Alcoholic Beverage Sales	-	-	-	-
Tobacco Products	-	-	-	-
Public Service Corporations	1,000	7,464	9,022	1,558
Other Taxes	-	-	-	-
Rights and Privileges	106,051	104,315	106,764	2,449
Sales of Property and Commodities	15,996	18,839	16,365	(2,474)
Assessments and Receipts for Support of Special Services	-	-	3	3
Institutional Revenue	279,652	326,998	317,441	(9,557)
Interest, Dividends, and Rents	887	1,448	2,632	1,184
Fines, Forfeitures, Court Fees, Penalties, and Escheats	797	800	915	115
Federal Grants and Contracts	-	-	14,249	14,249
Receipts from Cities, Counties, and Towns	60,970	64,386	63,927	(459)
Private Donations, Gifts and Contracts	4,085	18,427	5,368	(13,059)
Other	56,201	40,610	46,931	6,321
Total Revenues	525,639	583,287	583,617	330
Expenditures:				
Current:				
General Government	161	481	471	10
Education	1,107	1,728	1,413	315
Transportation	-	-	-	-
Resources and Economic Development	35,518	39,139	34,966	4,173
Individual and Family Services	515,648	561,900	535,812	26,088
Administration of Justice	109	109	109	-
Capital Outlay	341	1,275	775	500
Total Expenditures	552,884	604,632	573,546	31,086
Revenues Over (Under) Expenditures	(27,245)	(21,345)	10,071	31,416
Other Financing Sources (Uses):				
Transfers:				
Transfers In	23,442	23,442	24,427	985
Transfers Out	(389)	(3,832)	(18,786)	(14,954)
Total Other Financing Sources (Uses)	23,053	19,610	5,641	(13,969)
Revenues and Other Sources Over (Under)				
Expenditures and Other Uses	(4,192)	(1,735)	15,712	17,447
Fund Balance, July 1	146,519	146,519	146,519	-
Fund Balance, June 30	\$ 142,327	\$ 144,784	\$ 162,231	\$ 17,447

See Notes on page 190 in this section.

Water Quality Improvement Fund				Other			
Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)	Original Budget	Final Budget	Actual	Final/Actual Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 37,575	\$ 36,525	\$ 36,005	\$ (520)
-	-	-	-	991	1,835	684	(1,151)
-	-	-	-	-	-	-	-
-	-	-	-	877	880	888	8
-	-	-	-	83	85	84	(1)
-	-	-	-	6,165	5,975	6,632	657
-	-	-	-	30,397	36,779	32,134	(4,645)
-	-	-	-	183,772	177,381	170,772	(6,609)
-	-	-	-	7,376	7,403	10,231	2,828
-	-	-	-	87,366	91,884	89,267	(2,617)
-	-	-	-	87,476	74,065	49,830	(24,235)
6,665	12,747	15,710	2,963	11,535	21,013	20,919	(94)
-	-	-	-	56,588	107,892	95,606	(12,286)
-	-	-	-	-	-	-	-
-	-	-	-	5,273	5,141	6,469	1,328
-	-	-	-	2,021	1,716	3,374	1,658
-	-	-	-	77,656	63,331	114,955	51,624
6,665	12,747	15,710	2,963	595,151	631,905	637,850	5,945
-	-	-	-	-	-	-	-
-	-	-	-	89,068	109,342	106,265	3,077
-	-	-	-	79,570	80,888	28,819	52,069
-	-	-	-	5,759	5,789	3,731	2,058
28,401	121,843	69,562	52,281	286,051	351,447	280,323	71,124
-	-	-	-	64,428	69,579	54,903	14,676
-	-	-	-	78,187	89,004	76,567	12,437
-	-	-	-	33,242	57,235	21,295	35,940
28,401	121,843	69,562	52,281	636,305	763,284	571,903	191,381
(21,736)	(109,096)	(53,852)	55,244	(41,154)	(131,379)	65,947	197,326
20,000	5,000	5,000	-	42,708	50,358	68,500	18,142
(48)	(48)	(248)	(200)	(15,196)	(25,051)	(33,854)	(8,803)
19,952	4,952	4,752	(200)	27,512	25,307	34,646	9,339
(1,784)	(104,144)	(49,100)	55,044	(13,642)	(106,072)	100,593	206,665
360,973	360,973	360,973	-	505,903	505,903	505,903	-
\$ 359,189	\$ 256,829	\$ 311,873	\$ 55,044	\$ 492,261	\$ 399,831	\$ 606,496	\$ 206,665

**Notes for Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Nonmajor Special Revenue Funds**

1. BASIS OF BUDGETING VS. MODIFIED ACCRUAL BASIS FUND BALANCE

Since the presentation of financial data on the basis of budgeting differs from that presented under accounting principles generally accepted in the United States of America, a schedule reconciling the fund balance on a budgetary basis at June 30, 2008, to the fund balance on a modified accrual basis follows.

(Dollars in Thousands)

	Health and Social Services	Water Quality Improvement Fund	Other
Fund Balance, Basis of Budgeting	\$ 162,231	\$ 311,873	\$ 606,496
Adjustments from Budget to Modified Accrual, Undesignated:			
Accrued Revenues:			
Taxes	-	-	6,806
Other Revenue	47,779	-	21,318
Accrued Expenditures	(16,084)	(2,253)	(32,742)
Fund Reclassification - Budget to Modified Accrual	-	-	(2,091)
Fund Balance, Modified Accrual Basis	<u>\$ 193,926</u>	<u>\$ 309,620</u>	<u>\$ 599,787</u>

2. APPROPRIATIONS

The amounts presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds are principally on a cash basis and represent the original budget adopted by the General Assembly and all supplemental appropriations and transfers. The following schedule reconciles original appropriations to the final adjusted expenditure appropriations for the Nonmajor Special Revenue Funds, at June 30, 2008.

(Dollars in Thousands)

	Health and Social Services	Water Quality Improvement Fund	Other
Appropriations (1)	\$ 552,884	\$ 28,401	\$ 636,305
Supplemental Appropriations:			
Reappropriations (2)	775	-	129,908
Subsequent Executive (3)	48,248	108,329	101,418
Subsequent Legislative (4)	5,300	-	95,966
Capital Outlay Reversions (5)	(1)	-	(5,167)
Transfers (6)	(2,233)	(14,887)	(68,549)
Capital Outlay Adjustment (7)	(341)	-	(126,597)
Appropriations, as adjusted	<u>\$ 604,632</u>	<u>\$ 121,843</u>	<u>\$ 763,284</u>

1. Represents the budget appropriated through Chapter 847, 2007 Acts of Assembly, as amended by Chapter 847, 2008 Acts of Assembly.
2. Actions taken to reappropriate any prior year unexpended balances per authority of the language in the Appropriation Act.
3. Actions taken by the Governor to appropriate any additional revenues collected so that they can be legally spent.
4. Actions taken by the Governor and the General Assembly to adjust the budget.
5. Represents reversions of unexpended capital outlay balances.
6. Represents transfers required by the Appropriation Act.
7. Capital outlay appropriations cover the projects' lives and usually extend beyond the current fiscal year. These amounts have been adjusted to report the amount authorized for expenditure during the current fiscal year.